



# Your Monthly Money

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## 4 Ways to Pay Off Credit Card Debt Faster in 2023

**Here's how to make this the year you finally unload the burden of high credit card debt.**

Most of us know all too well the burden that comes with carrying more credit card debt than we can afford. Several years ago I paid off \$8,000 in credit card debt over about a year and a half – I was diligent about paying off the entire balance each month for years. Then I had a year with lots of unexpected expenses.

After paying for a new garage door and gas line, a \$1,000 emergency vet bill, medical bills, and purchasing a new car after mine broke down, I was back in the high-balance boat once again. I had several thousand dollars in credit card debt and a nearly drained emergency savings account.

Fortunately, I'd learned how to pay off high debt in the past so I knew the steps I needed to take to get to a zero balance again. You can get rid of your credit card debt by hammering away at your debt strategically, just like I did.

Here are four steps to take to get started on busting out of the credit card debt prison you've sentenced yourself to and staying out of debt for good.

### 1. Tally up your debt total

You'll never pay off your credit card debt if you're too scared to know exactly how much you owe and how much you're paying in interest on high balances. So, list all your credit card balances and interest rates. Then come up with a plan for which card to hit the hardest until it's paid off.

After that, take the amount you paid on that card and apply it on top of the monthly payment you've been paying on the next card you want to pay off, and so on with each card.

### 2. Stick to a budget and debt repayment plan

The first step to paying off credit card debt is sizing up where you stand with monthly income, monthly expenses, and the financial goals you'd like to achieve. So, face the truth and create a monthly budget with allocations for credit card payments.

To stop ratcheting up your credit card balance further. Allocate amounts of cash in envelopes for groceries, toiletries, prescriptions, and other items for which you can pay for with cash. This will help you notice where you're spending and wasting money each month.

You can also download a budgeting app like Mint, which guides you through the budgeting process and even tracks your spending to find ways to cut monthly expenses.

It's also a good idea to meet with a credit counselor at a free or nominal fee nonprofit credit counseling agency to create a budget and figure out a debt repayment plan that works for you.

### **3. Transfer the balance to a 0 percent APR card**

When you have a high credit card balance, it's often a good idea to apply for a credit card that offers a 0 percent APR for an introductory period, which can range from six months to sometimes as long as 18 months or even a couple of years.

You'll typically pay a balance transfer fee of around 3 percent on the new card, so make sure that any balance transfer fee is less than you'd pay in interest if you left the balance on your current card. This is a great way to save money on interest which you can apply to the balance for a larger payment.

Be careful, though. Don't make new purchases on the 0 percent APR card, no matter how tempted you may be, to avoid racking up even more debt. Also, make sure your payments are high enough to pay the balance off by the termination date of the introductory offer before the higher interest rate kicks in.

### **4. Take on a side hustle**

No one wants to work all day and then head off to another job. But no one wants to be stuck in debt forever, either. So, find a side hustle or part-time job you enjoy, whether it's pet sitting, delivering groceries or takeout, cleaning houses, or finding a way to earn more with specific skills that you already possess and tough it out at a second job for at least a few months.

Then apply every penny you earn from that side gig to your credit card balances, starting with the one you're working on knocking out first. Like it or not, earning extra income is the fastest way to pay off debt, so grit your teeth and work harder now to gain financial freedom later.

Not crazy about working two jobs? Start looking for a new job that pays more than the one you have now, so you can have more income to throw at that pesky debt until it's gone.